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STAFF REPORT

BOARD MEETING DATE: 05/24/2016

DATE: 04/25/2016

TO: Board of County Commissioners

FROM: Tony Kiriluk, IT Manager, Enterprise Infrastructure
Washoe County Technology Services Department,
775-858-5985, tkiriluk@washoecounty.us

THROUGH: Craig Betts, Chief Information Officer,
Washoe County Technology Services Department,
775-328-2355, cbetts@washoecounty.us

SUBJECT: Approve sole source purchases of Microsoft and Adobe licensing through joinder with the National Association of State Procurement Officers (NASPO) Master Price Agreement for Software Value Added Reseller (SVAR) SHI International and approve expenditures that will aggregate to exceed [\$100,000] up to a maximum of [\$600,000] within the available Fiscal Year 2016-2017 adopted budget for technology infrastructure. (All Commission Districts)

SUMMARY

Technology Services regularly upgrades and modernizes equipment at the County to maintain sustainable, efficient and effective technological infrastructure to support countywide functions. In Fiscal Year 2016-2017, CIP funding has been approved for the implementation of a new central technology logging and event management system; upgrade of security camera systems in multiple facilities; and continued rollout of VOIP technologies; and infrastructure account budgets have been funded for upgrade projects to Network, Server, PC, and Physical Security hardware.

Technology Services requests approval of sole source purchases of Microsoft and Adobe licensing through joinder with the National Association of State Procurement Officers (NASPO) Master Price Agreement for Software Value Added Reseller (SVAR) SHI International and approve expenditures that will aggregate to exceed [\$100,000] up to a maximum of [\$600,000] within the available Fiscal Year 2016-2017 adopted budget for technology infrastructure.

Washoe County Strategic Objective supported by this item: Sustainability of our financial, social and natural resources.

AGENDA ITEM # 13

PREVIOUS ACTION

The BCC has previously approved the following:

- June 9, 2015 – approved sole source purchases of Microsoft and Adobe licensing through joinder with the WSCA Master Price Agreement for SHI International. For Fiscal Year 2015-2016.
- June 17, 2014 – approved sole source purchases of Microsoft and Adobe licensing through joinder with the WSCA Master Price Agreement for SHI International for Fiscal Year 2014-2015.
- May 28, 2013 – approved sole source purchases of Microsoft and Adobe licensing through joinder with the WSCA Master Price Agreement for SHI International for Fiscal Year 2013-2014.
- January 8, 2013 – approved sole source purchases of Microsoft and Adobe licensing through joinder with the new WSCA Master Price Agreement with SHI International, replacing previous WSCA contract with Dell/ASAP.

BACKGROUND

Technology Services regularly upgrades and modernizes equipment at the County to maintain sustainable, efficient and effective technological infrastructure to support countywide functions. In Fiscal Year 2016-2017, CIP funding has been approved for the implementation of a new central technology logging and event management system; upgrade of security camera systems in multiple facilities; and continued rollout of VOIP technologies; and infrastructure account budgets have been funded for upgrade projects to Network, Server, PC, and Physical Security hardware.

In an effort to continually improve and modernize County technology infrastructure, multiple purchases of Microsoft software licenses are purchased throughout the year. The County purchases Microsoft licensing through a volume licensing program known as “Microsoft Select”. Washoe County through the years has joined as a subcontractor to the State of Nevada’s Microsoft contract in order to take advantage of the deeper volume discounts involved with being part of a statewide volume pool. The State and Washoe County joinder with the National Association of State Procurement Officers (NASPO) Master Price Agreement in order to gain access to volume discounts based on a large multi-state licensing pool. Similarly, State contracts for Adobe software are awarded to SHI International and the County joins on to that contract to obtain the greater discounting levels available through these shared state contracts.

These purchases will not have a direct impact on increasing Shared Service efforts, but will be purchased through shared volume licensing agreements that consolidate our purchases with other government agencies to create a greater discount level for all entities involved; and in some cases, the purchases involved will fund upgrades to infrastructure that supports existing shared services. The software is compatible with existing servers, data storage, network equipment, and Microsoft licensing at the Cities of Sparks and Reno, the Washoe School District, and the State of Nevada.

Pursuant to NRS 332.115, computer hardware and software are exempt from competitive bidding requirements.

FISCAL IMPACT

Expenditures will exceed [\$100,000], but will not exceed [\$600,000] within the Fiscal Year 2016-2017 adopted budget for technology infrastructure C108810 and C108830; technology operations C108100, and purchases will not exceed the budgets in adopted CIP and department technology infrastructure funds.

RECOMMENDATION

It is recommended that the Board of County Commissioners approve sole source purchases of Microsoft and Adobe licensing through joinder with the National Association of State Procurement Officers (NASPO) Master Price Agreement for Software Value Added Reseller (SVAR) SHI International and approve expenditures that will aggregate to exceed [\$100,000] up to a maximum of [\$600,000] within the available Fiscal Year 2016-2017 adopted budget for technology infrastructure.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be to move to approve sole source purchases of Microsoft and Adobe licensing through joinder with the National Association of State Procurement Officers (NASPO) Master Price Agreement for Software Value Added Reseller (SVAR) SHI International and approve expenditures that will aggregate to exceed [\$100,000] up to a maximum of [\$600,000] within the available Fiscal Year 2016-2017 adopted budget for technology infrastructure.

**WASHOE COUNTY
SOLE SOURCE PURCHASE REQUEST FORM**

This form must accompany a purchase requisition when sole source approval is requested for equipment, supplies or services exceeding \$25,000.

DEPARTMENT Technology Services LOCATION 1001 E 9th St., Ste. C220, Reno, NV 89512

REQUESTOR'S NAME Tony Kiriluk TELEPHONE # 775-858-5985

REQUISITION NUMBER TBD DATE 04/25/2016

RECOMMENDED SOLE SOURCE SUPPLIER SHI International

DESCRIPTION OF GOOD OR SERVICE REQUESTED Microsoft and Adobe software licensing

I have read and understand the Policies and Procedures of the Board of County Commissioners with regard to sole source procurements. I understand that competition is the preeminent consideration in the expenditure of County funds, and I acknowledge the County's commitment to the principle of fairness to any vendor who would like to do business with the County. After observing these principles and considerations, I hereby submit that the goods, services, and/or vendor specified in the accompanying requisition fit the County's sole source criteria for the following reasons: Please provide sufficient detail to clearly identify the reason(s) for this sole source procurement request. Attach additional information if necessary.

() 1. The product is unique in design and/or features that are required for a specific application. List the unique features and explain why they are needed for the application the product will be used for.

(X) 2. The product being purchased must be compatible with existing equipment. Identify the existing equipment.

Washoe County uses Microsoft operating systems for all County PCs, and the majority of our file servers; and uses Microsoft Active Directory for network login authentication services, Microsoft Exchange for Email, Sharepoint for our internal web sites, SQL for a large number of county database applications, IIS for a large number of internet applications, and Office for desktop productivity software.

(X) 3. The product requested is one which the user has had specialized training for. Identify who the user of this product will be and provide a description of the previous training.

County Technology Services Staff is trained and certified to support, repair, and administer Microsoft operations systems and applications; and most County Staff has been trained to use Microsoft Office products.

() 4. The product or service is available only from the manufacturer or their authorized representative. Identify the manufacturer or authorized representative, and provide telephone number and address information.

() 5. Consultants/Subcontractors: The individual/company is the most suitable to provide the service requested and the selection process is based on the following:

() There is evidence that the assistance to be provided is essential and cannot be provided by persons receiving salary support within Washoe County.

() A selection process was utilized to select the most qualified person.

() The consulting charges are appropriate considering the qualifications of the consultant or company based on past experience and the nature of the work to be performed.

(X) 6. Other. Please explain the specific circumstances and/or requirements that warrant the goods or services request to be procured from a sole source.

NASPO
SHI holds the current contract for Microsoft licensing for the WSCA contract to which the County has a joinder. The contract was up for renewal this year, but even if it is not renewed with SHI through WSCA, the County's Select Contract was renewed last year, and our pricing discounts will remain in place for the next two years based on that renewal.

(X) 7. The following provides justification as to reasonableness of price:

NASPO
The discounts that SHI provides through the WSCA contracted pricing sets the County's discounts based on a multi-state shared volume pool; providing a far higher volume discounting percentage than the County could ever obtain as a solo entity.

I understand that I may be required to justify this sole source procurement before the appropriate authority, including the Board of County Commissioners, and that my signing this document knowing any of it to be false may subject me to administrative action.

J. H. [Signature]
Signature of Requestor

[Signature]
Department Head Approval

Craig Betts
Print Name

I, _____, authorized Buyer, recommend the following:

() Sole source justification is adequate and exempt from competitive bidding requirements per NRS 332.115. 1. (h)

() Sole source justification is adequate to justify exemption from competitive bidding requirements per NRS 332.____

() Sole source justification is inadequate and request is returned to department for additional justification, instructions on whether to seek competitive bids for the goods or services requested, or to withdraw the request.

Buyer

[Signature]
Purchasing & Contracts
Manager

Date

4/28/2016
Date